

REPORT ON FLEXIBILITY TRANSFERS
FOR K-12 EDUCATION, 2000-01

**A Report to the Legislature
as Required by Control Section 12.40
of the Budget Act of 2000**

**California Department of Education
Delaine Eastin, State Superintendent of Public Instruction
Sacramento, California
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REPORT ON FLEXIBILITY TRANSFERS BETWEEN CATEGORICAL PROGRAMS IN K-12 EDUCATION FOR 2000-01

Report Pursuant to Control Section 12.40 of the Budget Act of 2000

Summary of Report Requirement

Control Section 12.40 of the 2000 Budget Act requires local educational agencies (LEAs) to report to the California Department of Education (CDE) on any amounts shifted between categorical programs pursuant to the flexibility provided by that Section. Section 12.40 further requires the CDE to provide this information to the Joint Legislative Budget Committee, Chairs and Vice-chairs of the fiscal committees for education of the Legislature and the Department of Finance (DOF). The Budget Act item numbers of the programs eligible for flexibility transfers are listed in subdivision (b) of Section 12.40.

Introduction

From 1992-93 through 1998-99, allocations for most categorical programs were included in a “mega-item,” a single budget appropriation covering over 30 categorical programs. Budget Acts for those fiscal years allowed LEAs to transfer a certain percentage of state funds allocated to any mega-item program into another mega-item program. Beginning with the Budget Act of 1999 and continuing with the Budget Act of 2000, the mega-item was eliminated, and each categorical program was assigned a separate budget item. Although the flexibility to shift funds between categorical programs was retained, LEAs were required by Control Section 1240 of the Budget Acts of 1999 and 2000 to report to the CDE any amounts shifted between programs and CDE was required to provide this information to the Legislature and the DOF.

Report Data

Our summary report is comprised of transfer data reported by 115 LEAs (114 school districts and one county office of education), representing 10.5 percent of the total of 1092 school districts, county offices of education and educational joint powers agencies (JPAs) that reported to CDE for 2000-01. Although allowable, there were no flexibility transfers reported for JPAs, nor were there transfers into or out of eight relatively small programs. Our report shows transfers into and out of 26 of the 34 programs eligible for flexibility transfers.

Summary of Data: Net Transfers In and Net Transfers Out (Charts A and B)

[Chart A](#): For purposes of this report, we show the “net” of the amounts transferred in and out of programs. For example, there were transfers into the Pupil Transportation program in the amount of \$13,201,634 and transfers out of the Pupil Transportation program in the amount of \$481,092. The “net” of these two amounts is an increase of \$12,720,542 to the program. This is shown in the “Net Transfers In” column of Chart A.

[Chart A](#) also shows by program the percent of the total of all of the Net Transfers In or Out that the particular program generated. Again using Pupil Transportation as an example, we find that Pupil Transportation generated 38.3 percent of the Total Net Transfers In. The K-6 School Improvement Program generated 24.9 percent of the Total Net Transfers Out. These percentages were derived by dividing the Net Transfers In or Out of a program by the Total, Net Transfers In or Out.

[Chart A](#) shows the percentage Net Increase or Decrease to each program in terms of net dollars added to or reduced from each program. For example, \$12,720,542 was added to the Pupil Transportation program, which when divided by the original appropriation for that program of \$477,161,000, shows that there was a 2.7 percent increase to the Pupil Transportation program because of the flexibility transfers.

[Chart B](#) displays in “pie chart” fashion, the Net Transfers In and Out by program, and includes the percentage (rounded) of net transfers that each program generated.

District Level Data

Data for each district that used the flexibility transfer option are not included in this report, but have been posted to the CDE Web site at the following address:
(<http://www.cde.ca.gov/fiscal/financial/>).

If there are any questions about the district level data, please call the Financial Accountability and Information Services Office at (916) 322-1770. If there are questions about the initial appropriations or program compliance, please call the Management Assistance and Categorical Programs Office at (916) 327-0538. (Both of these offices are within the School Fiscal Services Division of the CDE.)

Link to [Chart A](#)

Link to [Chart B](#)